

STATE AUDITOR'S PRELIMINARY REVIEW OF THE 1990 AGREEMENT BETWEEN THE UNIVERSITY OF VERMONT AND THE CITY OF BURLINGTON

OCTOBER 22, 1997

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I. Executive Summary

The State Auditor's Office has conducted a preliminary review of the University of Vermont's performance under a 1990 agreement with the City of Burlington (the Agreement) which was approved by both the University of Vermont Board of Trustees and the Burlington City Council. While the Agreement calls for specific action by UVM on three fronts within the university-community relationship, this analysis focuses solely on issues related to student housing.

The Agreement established specific goals and projects for the University to fulfill with respect to student housing. Our preliminary review suggests that the University remains far short of compliance with some key terms of the Agreement, despite the fact that it has taken some positive steps toward fulfilling certain aspects of it. The major observations made by this preliminary review include:

Despite its commitment in the Agreement to provide on-campus housing for 4,400 undergraduates, the University of Vermont currently remains more than 700 beds short of fulfilling this commitment.

If the University of Vermont had fulfilled the terms of the Agreement to provide on-campus housing for 4,400 undergraduates, the likely number of undergraduates currently housed off campus would be 3,114 -- almost 800 fewer than live off campus today.

There is no evidence that the University of Vermont has moved 300 students back onto campus from off-campus housing, as called for in the Agreement.

II. Background

On March 21, 1990, the University of Vermont (UVM) and the City of Burlington signed an agreement concerning their relationship with respect to housing of students, parking facilities and traffic circulation. The Trustees of the University of Vermont and the Burlington City Council originally entered into the Agreement to address points of friction that could otherwise injure the long-term relationship between the University and the City.

As stated in the Agreement, the City's major concerns included the housing of students, parking facilities, and traffic circulation. The University was also interested in reducing conflict with the City and its regulatory processes in order to preserve its own ability to carry out its educational missions without a loss of quality. Recently, the City of Burlington has questioned whether the University has upheld its obligations concerning student housing. Likewise, the University has stated its intention to revisit its commitment to construct additional on-campus housing, due to a decline in enrollment over the past seven years.

The Agreement, approved by the UVM Board of Trustees and the Burlington City Council, and authorized by the Mayor of Burlington, sets forth specific goals and provisions with respect to the University's management of student housing.

Outline of the Agreement Concerning Student Housing

The primary goals of the agreement in relation to undergraduate housing called for UVM to:

- (1) Provide housing for a total of 4,400 students on campus by specifically providing housing for 850 more students than the 3,550 housed on campus at the end of the 1989 fall semester.
- (2) Provide housing for students currently residing in fraternity/sorority housing if the number of beds drops below 370 due to the closing of a house or loss of residential space in any building.
- (3) Build 100 new apartments for the residents of University Heights by 1995.

Specific actions required of UVM to reach these goals include:

- (1) The construction of at least 165 new student apartments to house a minimum of 544 students at University Heights and the Redstone Campus.
- (2) Returning to on-campus housing at least 300 students who currently reside in off-campus, non-fraternity/sorority housing.

(3) The construction of 100 new apartments (depending upon the regulatory process) at the Orchard site, or elsewhere if conditions warrant, to replace University Heights housing.

Status of UVM Compliance with Agreement Terms Concerning Student Housing

Of the three major student housing goals outlined in the Agreement, it would appear that only one has been met, one has been partially fulfilled, and one has not yet been necessary to address. First, in 1993, UVM built replacement housing for current residents of University Heights. Second, the University has not had to address the issue of fraternity/sorority housing since the number of beds has not dropped (significantly) below the minimal threshold of 370. According to UVM, there were 367 students residing in fraternity/sorority housing in 1996. And one sorority has drafted preliminary plans to build a new house which would increase this number in the near future. Finally, the University has not fulfilled its agreement to accommodate 850 more students in on-campus housing facilities. Given current realities, it would appear that UVM is at least 700 beds short of providing on-campus housing for 4,400 students.

Of the specific projects to be completed, only one has been implemented, one partially completed, and the other undetermined. In 1993, UVM completed and opened new housing for 208 students at the Redstone Campus. But it has not gone ahead with plans to construct additional student housing for a minimum of 336 more students (to complete construction of 544 on-campus beds) at the University Heights site for various reasons. There is no documented information about the Agreement's requirement that UVM return 300 off-campus students to on-campus housing. City officials had requested this information in memos dated as far back as July of 1996, and remain in search of such data. In 1993, UVM's completion of construction at the Centennial Court complex provided housing for 80 former residents of the University Heights apartments and fulfilled this portion of the Agreement. (The Agreement allowed for a reduction from 100 to 80 due to the fact that it was mandated by the city zoning process.)

Changes in Enrollment Since the Agreement and UVM's Response

Since the Agreement was signed in 1990, enrollments at UVM (and universities across the country) have dipped since 1990. According to Fall/Spring average enrollment, there were 714 fewer degree students overall and 729 fewer undergraduates enrolled at UVM in the 1996-97 academic year as compared with 1989-90. However, this fall UVM experienced a 1.9 percent increase in undergraduate enrollment over Fall 1996 and current totals are only 6.4 percent below those for Fall 1989.

UVM Enrollment

Enrollment Type / Year	Total Students	Change Since Base Year	% Change Since Base Year
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*Undergraduate, 1989-90	7,868	---	---
*Undergraduate, 1995-96	7,297	- 571	- 7.3 %
*Undergraduate, 1996-97	7,139	- 729	- 9.3 %
Undergraduate, Fall 1989	8,029	---	---
Undergraduate, Fall 1996	7,375	- 654	- 8.1 %
Undergraduate, Fall 1997	7,514	- 515	- 6.4 %
*Degree Students, 1989-90	9,391	---	---
*Degree Students, 1995-96	8,837	- 554	- 5.9 %
*Degree Students, 1996-97	8,677	- 714	- 7.6 %

* Expressed in terms of Fall/Spring average enrollment

University officials acknowledge that several terms of the Agreement have not been met. But they stress that since 1990, decreases in enrollment have mitigated the need for additional on-campus housing. They cite Clause 14 of the Agreement which permits amendments "upon communication from one party or the other indicating that there has been a significant change in circumstancea" In a May 31, 1996 letter to Mayor Peter Clavelle, then-UVM President Thomas P. Salmon cited four specifically changed circumstances, almost all of which focused on decreased enrollment or University suppositions concerning the consequences of decreased enrollment:

(1) UVM has 490 fewer students than in the 1989-90 academic year and is able "to accommodate in existing facilities all who desire or are required to live on campus."

(2) UVM now requires all freshmen and sophomores to live on campus.

(3) UVM's belief that the vacancy rate for rental space in the City of Burlington has increased -- a fact that would make it difficult to fill any new student housing, particularly new units that would be built at University Heights.

(4) Campus renovations have forced UVM to convert University Heights to temporary faculty offices.

III. Methodology

The objectives of this preliminary review were to analyze the University of Vermont's compliance with the student housing provisions of a March 21, 1990 Agreement with the City of Burlington and to provide perspective on this issue by acquiring data from other colleges and universities.

This review has been conducted by the State Auditor's Office under its statutory authority contained in 32 V.S.A. Section 163 and 16 V.S.A. Section 2281(a). This review is not an audit. It does not provide an independent opinion nor independent audit reports.

Methods used for gathering information for this preliminary review included acquisition of University of Vermont documents, correspondence between UVM and the City of Burlington and data from its Web site, research from UVM's Office of Institutional Studies, telephone conversations with UVM's Office of Residential Life and the Mayor of Burlington's office, and research of other state university data.

IV. Observations

A. The Goals

The Agreement between the University of Vermont and the City of Burlington sets forth specific goals that are to be accomplished in three general areas: housing, parking, and traffic. The provisions with regard to student housing require UVM to provide housing for 850 more students than it was housing on campus at the close of the 1989 fall semester. The Agreement requires that the University: (1) build new apartments for residents of University Heights, (2) increase on-campus housing capacity to 4,400 beds through various actions, and (3) provide housing for residents of fraternity/sorority housing if the number of such beds falls below 370.

1. University Heights Housing

In 1993, UVM opened a 80-unit complex at Centennial Court which replaced the 100 beds lost at the former University Heights site. The Burlington Planning Commission mandated that the new apartment complex be no more than 80 beds and not be made available to undergraduate students. As of last fall, it was at full occupancy.

**Observation: UVM fulfilled
the goal of building
replacement housing for
University Heights in 1993
as called for in the
Agreement.**

2. On-Campus Housing Capacity

The following table outlines changes in UVM undergraduate students housed on and off campus since the 1989-1990 academic year when the Agreement (signed March 1990)

went into effect. The table highlights the overall decline in enrollment and the decline in numbers of off-campus undergraduates that has resulted, largely from this decline in overall enrollment.

UVM Housing Statistics

Students / Year	Enrollment	Housed On Campus	Housed Off Campus	% On Campus
Undergraduate, Fall >89	8,029	3,545	4,484	44 %
Undergraduate, Fall >95	7,539	3,550	3,989	47 %
Undergraduate, Fall >96	7,375	3,545	3,830	48 %
Undergraduate, Fall >97	7,514	3,613	3,901	48 %

Although it did provide 208 new beds back in 1993, UVM does not currently have the capacity to house 4,400 students on its campus. The September 1997 edition of the *UVM Campus Master Plan* states the current on-campus housing capacity to be 3,700 students, ***more than 700 less than was anticipated in the Agreement.***

Further, since stated capacity is 3,700, but only 3,613 undergraduates live on-campus, there appears to be currently unused housing capacity for up to an additional 80 or more undergraduates on campus. It is also noteworthy that, at this point, the net effect of the Agreement has only led to an increase of 63 more undergraduates living on campus than in 1989.

Observation: Despite its commitment in the Agreement to provide housing for 4,400 undergraduates on-campus, the University of Vermont remains more than 700 beds short of fulfilling this commitment.

Observation: It appears that for the current academic year, the University has unused on-campus housing capacity for 80 or more additional undergraduates.

Observation: There are only 63 more undergraduate students residing on campus today than at the close of the 1989 fall semester just prior to the Agreement's enactment.

3. Fraternity/Sorority Housing

The fraternity/sorority clause of the Agreement has not yet become an issue. During the past few years, the number of undergraduates living in such off-campus housing has held steady at around 370. Given plans for a new sorority, it would appear that UVM would not have to worry about needing to absorb this student population into its on-campus facilities.

Observation: The number of students residing in fraternity and sorority housing has not dropped significantly below 370, the threshold below which UVM would need to provide on-campus housing to displaced students.

4. Off-Campus Student Population

Seven years after the signing of the Agreement, according to UVM's Department of Residential Life, 3,613 undergraduate students (48 percent of the total) reside on campus as of this academic year, with about 3,900 (52 percent) residing off-campus. Even though there has been a four percent increase in students housed on campus, the actual numbers show only a small change in on-campus population. *Fewer than 100 students have been added to on-campus housing since UVM entered into the Agreement.*

UVM has cited increases in percentages of students housed on campus to highlight its perception that the Agreement may need to be revisited. Arguably, however, from the City's standpoint, the impact of students on the City is best measured, not by percentages of students housed on or off campus, but by reporting *actual numbers* housed on and off campus. (Indeed, the Agreement does not speak of percentages of students, but reflects a commitment by the University to house *a specific number* of students on campus. Presumably, the City, under the Agreement, could always count on UVM housing 4,400 students on campus.) Although there has been a net decrease in the overall numbers of students living off campus from 4,484 in 1989 to 3,901 currently -- largely achieved through enrollment declines -- if the University provided housing for 4,400 students as called for in the Agreement, the number of students living off campus would be substantially lower. The next table highlights this point.

Projected UVM Housing Statistics

Students / Year	Enrollment	Actual On-Campus	Actual Off-Campus	Projected On-Campus (Under Agreement)	Projected Off-Campus (Under Agreement)
Undergraduate, Fall '89	8,029	3,545	4,484	3,545	4,484

Undergraduate, Fall '95	7,539	3,550	3,989	4,400	3,139
Undergraduate, Fall '96	7,375	3,545	3,830	4,400	2,975
Undergraduate, Fall '97	7,514	3,613	3,901	4,400	3,114

The previous table utilizes the same information as presented in the table on page 6, but presents a summary of what the numbers of undergraduate students would have been *if UVM had provided housing for 4,400 students on-campus, as called for in the Agreement.*

The information in this table suggest that *if UVM had fulfilled all of the terms of the Agreement, there might be almost 800 fewer off-campus students today.*

If the University of Vermont had provided and filled 4,400 on-campus beds, it would house 58.6 percent of the Fall 1997 undergraduate enrollment. Although this projected increase in on-campus housing percentage might seem high, it is clear that UVM could reach such a goal if it currently had the 4,400 on-campus housing capacity anticipated in the Agreement: 1) UVM clearly has the ability to legislate housing policies for its students (it already currently requires all first- and second-year students to live on campus); 2) UVM could require that on-campus housing capacity be full before any students were allowed to live off campus; 3) Other state universities in New England have reached similar percentages of undergraduates housed on-campus.

Observation: If the University of Vermont had fulfilled the terms of the Agreement to provide on-campus housing for 4,400 undergraduates, the likely number of undergraduates currently housed off campus would be 3,114 -- almost 800 fewer than live off campus today.

B. Specified Projects

In pursuit of the three student housing goals and the obligation to provide 850 additional on-campus housing slots, the Agreement requires the University of Vermont to complete three specific projects. UVM must: (1) build 100 units (or fewer if mandated by the city's zoning process) to replace University Heights housing, (2) construct at least 165 apartments at Redstone Campus and University Heights for a minimum of 544 students, and (3) return 300 students living off campus to on-campus facilities.

1. University Heights

The University built a 80-unit housing complex at Centennial Court in 1993 to replace lost units at University Heights. Burlington's zoning process reduced the planned number of units from 100 to 80, a change allowed for under the Agreement.

Observation: With completion of Centennial Court in 1993, UVM replaced housing units lost by the conversion of the old University Heights complex.

2. Redstone Apartments

UVM also built new housing for 208 students at the Redstone Campus in 1993, completing 38 percent of the minimum of 544 new beds required to be provided. It, however, has yet to act on the requirement that it also construct additional housing at University Heights.

Observation: UVM has built 38 percent of new student housing units mandated by the Agreement with the City of Burlington.

3. Return of Off-Campus Students

The question of whether the University brought any off-campus students back on campus remains unclear and, at this point, is unquantifiable. However, the likely answer is no. We know that there are roughly 600 fewer undergraduate students living off campus today than during the 1989-90 academic year, but that is primarily due to falling enrollments. But, at the same time, UVM houses fewer than 100 more undergraduate students on campus today than it did in the fall of 1989, when it did not require first- and second-year students to live on campus.

Observation: There is no evidence that the University of Vermont has moved 300 students back onto campus from off-campus housing as called for in the Agreement.

C. State Universities: A Snapshot

In order to gain a broader perspective of University of Vermont housing issues, comparable data from other state universities may be of interest. This portion of our review focuses on state universities within the New England region as well as one state university -- the University of Virginia -- which, like UVM, receives a relatively small portion of its overall budget from state revenues and which sits in a city of similar size to Burlington.

The table on the next page offers some basic information about each state university sampled in this preliminary review. (One of the City of Burlington's primary arguments why the University of Vermont should build more student housing is that students

depress the rental housing vacancy rate and drive up rents, particularly for lower-income residents. Because of this, included are two variables about rent.)

The University of Connecticut (UConn) is located in the rural town of Storrs in the northeast part of the state. Storrs' population is 12,198, while UConn itself is home to more than 10,000 undergraduate students. While the percentage of students living in on-campus housing has fallen slightly over the past five years, largely due to higher enrollment, 63.1 percent of undergraduates live on campus this academic year. UConn offers no guarantee of housing nor requires students to live on campus. There are, however, no vacancies in on-campus housing. The university's location in a rural community may contribute to this fact.

The University of Massachusetts (UMass) is located in a small city in western Massachusetts. Amherst has a population of 17,824 and is heavily defined by the presence of UMass, home to more than 18,000 undergraduate students, three-fifths of whom live on campus. The University housing office guarantees four years of on-campus housing to any interested student and requires undergraduates to live on campus their first two years.

The University of New Hampshire (UNH) is located in the town of Durham, home to fewer than 10,000 people. UNH has no minimum requirement for on-campus living for its students, but even so manages to house close to 50 percent of its undergraduates on its grounds. In addition, the vast majority of each freshman class chooses to live in UNH dormitories.

The University of Virginia (UVA) resembles the University of Vermont in a couple of ways. First, both institutions are located in cities of roughly 40,000 residents. Second, both universities receive a relatively small fraction of their overall revenues from state government. For fiscal year 1996, UVM received 9.9 percent of its overall revenues from the state and UVA 12.7 percent. Despite these similarities, the University of Virginia only provides on-campus housing to one third of its undergraduate population.

State University Data

University / Location	City/Town Population (1990)	Undergraduate Enrollment	% On-Campus	Rental Vacancy Rate	Median Rent
University of Vermont Burlington, VT	39,127	7,514	48 %	4.0 %	\$ 435
University of Connecticut Storrs, CT	12,198	10,270	63 %	6.8 %	\$ 529
University of Massachusetts Amherst, MA	17,824	18,036	60 %	2.3 %	\$ 473

University of New Hampshire Durham, NH	9,236	10,700	48 %	3.4 %	\$ 429
University of Virginia Charlottesville, VA	40,341	12,040	34 %	3.0 %	\$ 391